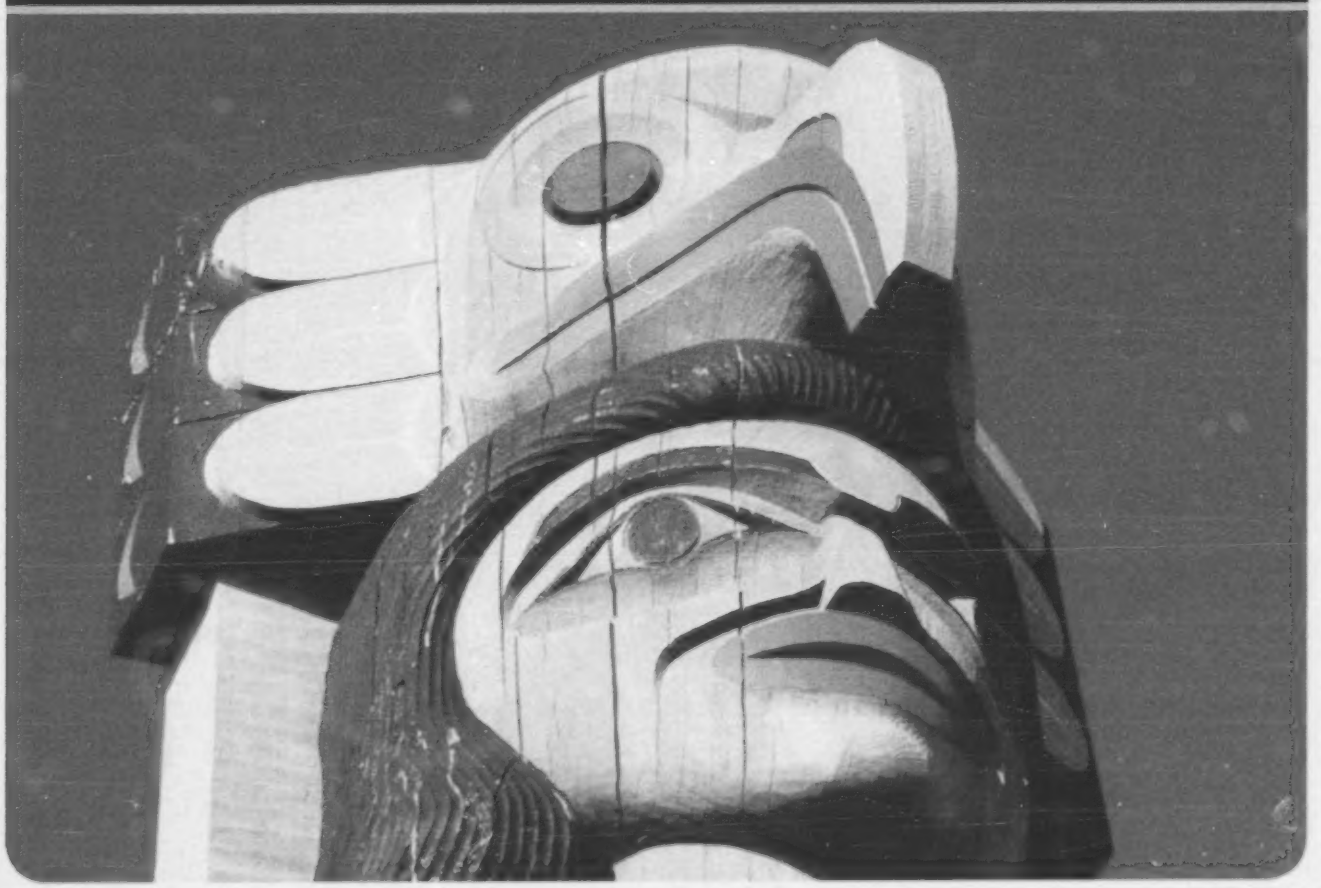
ANNUAL REPORT

2008

The Notary Foundation *of* British Columbia



THE NOTARY FOUNDATION
INC. 1986

Cover image: Haida totem
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Message from the Executive Officer, G. W. (Wayne) Braid

Welcome to our 2008 Annual Report on the activities of the BC Notary Foundation.

First, I would like to acknowledge the support of our BC Notaries.

All the funds we distribute to deserving organizations are earned through the monies our members deposit into their trust accounts in various financial institutions.

The institutions partner with the BC Notary Foundation through written agreements on the payment of interest.

The Notary Foundation distributes the interest we earn to various legal education organizations, law libraries, and other organizations that provide legal aid and assistance here in our province.

The Legal Services Society of British Columbia automatically receives more than half of the funding. To date, we have provided them with over $29 million. To see the services they provide on our behalf, please visit their Website at www.lss.bc.ca.

This report celebrates our 22nd year of operation.

I would like to thank the many Notaries and lay people who have served on our Foundation Board. Our current Chair, whose report you can read in the next pages, will be stepping down after serving over 14 years as a Governor of our Foundation!

The BC Notary Foundation has a tradition of supporting smaller, legal-related organizations in British Columbia. We look forward to continuing that tradition in the years to come.

The Notary Foundation of British Columbia

Our Foundation is based on the model of legislation that created the Law Foundation of British Columbia and its very successful business model.

The Notary Foundation's Source of Funds

The Notary Foundation's revenue comes from interest paid on clients' funds held in Notaries' trust accounts in financial institutions, generally from real estate transactions.

Because monies are usually held only a very short time, the cost of investing the funds for clients is not economically viable.

When the funds are pooled, the financial institutions profit from being able to use them—and the institutions pay interest to our Foundation.

The success of these Foundations is based upon the cooperation of financial institutions that strive to ensure a reasonable interest is paid on the funds held in Notaries' and lawyers' trust accounts.

The substantial funds created allow the Foundations to support the good work of a great many community organizations and to assist, in a major way, with the necessary funding for legal aid in our province.

The Use of the Funds

- The Legal Services Society automatically receives 55 percent of the Notary Foundation funds, which they spend within their mandate and their objective to provide legal aid in British Columbia.
- In addition to grants, the Foundation funds scholarships and bursaries each year for individuals attending university in certain law-related courses.

The Grant Review Process

The Board of Governors meets quarterly to consider applications for funding from various organizations, to set policy, review the Foundation's financial status, and provide direction for the administration of the Foundation.

The Foundation's Grants Committee carefully reviews all applications for funding prior to presenting them to the Board.

- To be considered, a grant application must qualify under the Foundation's mandate and must be intended for legal research, legal aid, law reform, or a law library.
- Grants are usually given only to not-for-profit organizations.

Message from the Chair, Chris Dupuis

The purpose of the Foundation is to establish and maintain a fund to be used for legal education; legal research; legal aid; education and continuing education for Notaries and applicants for enrollment as Notaries; establishing, operating, and maintaining law libraries in British Columbia; and contributing to the Special Fund established under the *Notaries Act*.

Since our last AGM report of September 2007 to date, the Foundation has granted funding to 16 organizations.

The Notary Foundation Financial Statement for the period ending June 30, 2008, (attached), highlights the following scenarios.

Interest received from banks has increased significantly.

Management of the Foundation's Investment portfolio is comprised of fixed income assets and equities reporting a market value of a total of $4,962,603 for the period December 31, 2007, to May 31, 2008.

Our total revenue of over $5 million as at June 30, 2008, shows a slight increase from last year's reporting.

The Foundation funds Continuing Education for our members and our Notary Preparatory Course. Funding is also provided for the Master of Arts in Applied Legal Studies, the newly established program administered by The Society in collaboration with the Faculty of Education at Simon Fraser University.

The following eight members of the Board of Governors were elected from the Board of Directors of The Society of Notaries Public: Christopher W. Dupuis, Chair; Ken Sherk; Leta Best; George Tanco; Susan Davis; Scott Simpson; Laurie Salvador; John Eastwood.

Jennifer Harry has served for 11 years, the maximum term permitted for a Governor of the Notary Foundation. Her expertise and professional input during her tenure have given considerable strength to fulfilling the mandate of the Notary Foundation.

It has been a rewarding experience for me to serve as Chair of the Board of Governors.

I would like to thank each and every member of the Board for the valued time and contributions they have extended over these years, without which the Foundation would not be where it stands today.

The Notary Foundation Board

Members of the Board of Governors of the Notary Foundation are elected for a 3-year term from the ranks of the Board of Directors of The Society of Notaries Public of BC.

Traditionally, the Immediate Past President of The Society becomes the Chair of the Notary Foundation, serving for a 2-year term.

The Attorney General of BC appoints 3 individuals to our Board.

The Governors of the Notary Foundation

July 1, 2007 – June 30, 2008

Christopher W. Dupuis Chair

Leta C. Best

Susan Davis

John Eastwood

Laurie Salvador

Ken Sherk

Scott Simpson

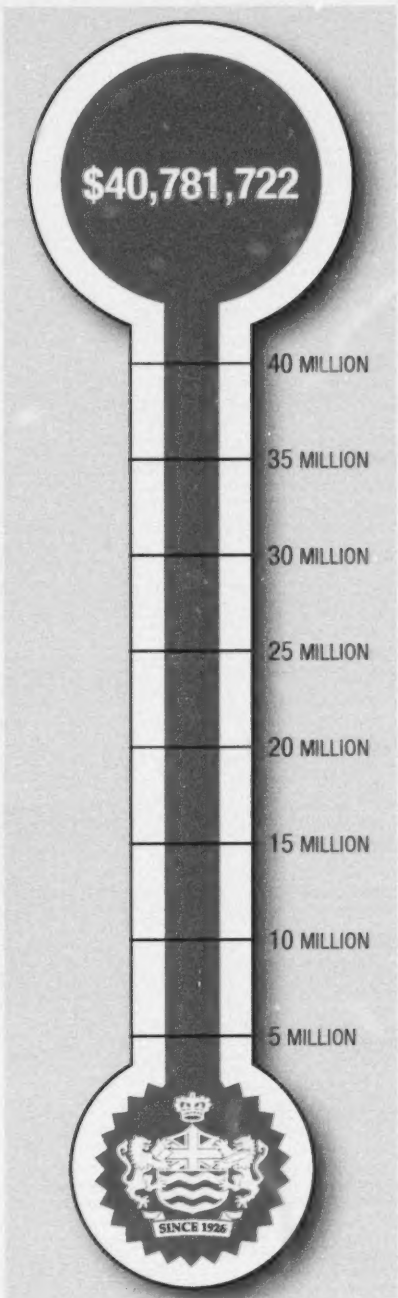
George J. Tanco

Wayne Strandlund
Director-at-Large

The Governors of the Foundation have the responsibility of guiding the Foundation in its mandate to disperse the funds generated by interest on Notaries' Trust Accounts.

G. W. (Wayne) Braid, Executive Officer of the Notary Foundation, is responsible for the administration of the office, the Notary staff, and the diverse investment funds of the Foundation.

CONTRIBUTION TO THE LEGAL SERVICES SOCIETY	
TOTAL 2007 ANNUAL REPORT	$16,942,119
2007/2008 REVENUE	3,158,500
TOTAL CONTRIBUTION AT JUNE 30, 2008	$20,100,669



Funds provided to date to legal education in our province by the Notary Foundation of BC

Source: Interest earned from Notaries' trust accounts

Notaries Act of BC

Total at June 30, 2008

Notary Foundation Grants

July 1, 2007, to June 30, 2008

Recipient	Grant	Project
The Law Courts Education Society of BC	$25,000	100th Anniversary Video on the Court of Appeal
Vancouver Community College	$8,000	Multilingual Online Glossary of Legal and Court-Related Terms
West Coast Environmental Law Research Foundation	$15,000	Pesticides and At-Risk Communities
O.U.R. Ecovillage Community Association	$17,750	Comprehensive, Finance, Ownership, and Governance Strategies for Rural and Urban Land Share Projects
West Coast Legal Education and Action Fund (LEAF)	$20,000	Women and Religious Freedom (Phase III)
North Shore Community Resources Society	$24,000	Help's at Hand
The Law Courts Education Society of BC	$10,000	Multicultural Communities Admin. Law Website
Young Women's Christian Association (YWCA)	$25,000	Legal Education
Representation Agreement Resource Centre	$50,000	Public Legal Education for Seniors on Personal Planning: Building Community Capacity
The People's Law School	$30,000	Plain Language Booklet
Western Canada Society to Access Justice	$15,000	Pro Bono Services Enhancement and Transition Project
LTA, The Land Trust Alliance of BC	$20,000	Professional and Legal Aid to Protect Significant Lands in BC
BC Coalition of People with Disabilities	$9,700	Transitions: Edition Representation Agreement
Battered Women's Support Services	$10,000	Legal Advocacy Workshop
Planned Lifetime Advocacy Network	$30,000	Nurturing Resilient Families: Delivering Legal Education to Families across BC
West Coast Domestic Workers' Association	$40,000	Paralegal Project

The People's Law School

We in the legal community are faced with change.

Over the last few years, the issue of affordable access to the legal system has gained a new urgency. It has become so momentous a problem that the legal community recognizes the need for change.

This change may be reflected in new structures, such as the Justice Access Centres, changes to the Supreme Court Rules, and the expanding jurisdiction of Small Claims Court.

It may also be reflected in the way we view the legal system's relationship with the larger community—an institution where average people participate directly, as opposed to a system exclusively the domain of professionals.

These changes present a challenge to all of us, but hopefully a positive one for which the legal community will be prepared.

For the last few years, the People's Law School has been keeping a close watch on the events in this community to ensure it is ready for the changes coming our way.

Since its creation in 1972, the People's Law School has focused on educating and informing British Columbians about Canadian law and the legal system—particularly those who do not have the resources to retain lawyers. We are providing them with the tools they need to understand and be better prepared to interact with the legal system.

We are looking forward to the changing legal landscape and are proud of the continuity of services we have provided over the past 36 years. We have gained valuable experience and brought that expertise to bear in developing and delivering new programs.

For example, since 1997, the People's Law School has provided public legal education about violence toward women, in numerous immigrant languages.

Susan Coristine

For many years, we have addressed advance planning matters through booklets such as "Power of Attorney," "Writing Your Will," and more recently "A Death in Your Family," the latter resulting from a much appreciated grant from the Notary Foundation of British Columbia. In the coming year, we will be rewriting a number of our booklets to reflect major changes in the law that will impact the advance planning area.

Another important area is our outreach to youth. Our Justice Theatre program has operated in the public school system for over 10 years, offering hour-long performances on youth topics such as bullying, shoplifting, street racing, and hate crimes. Popular with students, the program grabs their attention, raises their awareness of youth justice issues, and generates discussion of these issues in classrooms throughout British Columbia.

We pioneered the Justice Theatre and, more recently, our law-related ESL Program in response to needs and opportunities we recognized. Our Ontario counterpart CLEO has created its own law-related ESL program based on our model.

I want to emphasize the role public legal education has played, and will continue to play, in helping people resolve or avoid costly legal disputes. By educating individuals about their rights and responsibilities, we help create social cohesion around the values Canadians regard as fundamental.

Excerpts from an address presented by Susan Coristine, Chair of the People's Law School, at their 2008 AGM.

www.publiclegaled.bc.ca

Capilano College Bursary Recipients

I really appreciate the scholarship from the Notary Foundation, which will help toward my tuition and books next term. After I am finished school, I plan on working as a Paralegal in Vancouver.

Julia Balakshin

I first attended Capilano College from 2000 to 2002 as a student of the University Transfer Program. In 2004, I obtained my Bachelor of Arts degree, majoring in Psychology, from the University of British Columbia.

While I thoroughly enjoyed Psychology, I knew I wanted a career in the legal field. The Paralegal Program at Cap College is more focused and career-oriented than my other postsecondary schooling. I am now feeling very prepared for my career. I have formed connections in the legal field and developed relationships with colleagues that I know will continue long past graduation.

Lindsay Rayment

This bursary from the Notary Foundation is important to me because if reflects the hard work I have put into the paralegal diploma program at Capilano College.

The money I received will go toward tuition for my final semester.

After the Program, I'm hoping to complete my practicum, play piano, and dedicate some time to help people who are marginalized in our community, to obtain the legal assistance that they need.

Thank you very much!

Katie Hunter

Currently in my third semester of Capilano College's Paralegal Program, I am very appreciative of my bursary from the Notary Foundation.

I will be applying it to my fourth semester's tuition to ease my financial burden.

Sarah Baird

Kwantlen College Students Receive Awards

Through the generous support of donors such as the Notary Foundation and the BC Notaries, the Kwantlen Foundation was able to assist 886 students with more than $812,000 in financial awards in 2008. The business award ceremony was held February 5.

From left: Delta Notary Del Virk; Kwantlen student Mikyung Noh; and Art Coren, Dean of the School of Business at Kwantlen College

My name is Mikyung Noh. I am the recipient of the award from the Notary Foundation and BC Notaries.

I have been attending the Legal Administrative Assistant Program at Kwantlen not only to improve my English skills as an immigrant, but to obtain vocational skills to be employable in Canada.

Through this course, I have learned to work more efficiently and to build my abilities to work in a legal office.

I am looking forward to finishing the Certificate program in May and finding a job in a firm.

Thank you for the award. It gave me more confidence to work toward my goal.

I want to especially thank Mr. Dalminder (Del) S. Virk for presenting the award to me at the ceremony.

Mikyung Noh

I registered in the Legal Administrative Program at Kwantlen because a few friends had taken the program and are now successful legal assistants at different law firms.

I have been fascinated by all the various aspects of law, from drafting simple Wills to learning about the complex areas of family law. I hope to serve in full-time employment in the legal environment and to one day continue my legal education in the future.

I would like to thank Fasken Martineau DuMoulin, the Notary Foundation, and BC Notaries for their generous contributions toward my education in this program.

Kathleen Loney

Douglas College Foundation
First Annual Awards at Douglas College

The First Annual Awards Luncheon hosted by the Douglas College Foundation was held Wednesday, March 19, 2008.

The Notary Foundation of BC and The Society of Notaries Public of BC were among our benefactors.

We are here to celebrate the achievements of our students and to give thanks to you, our benefactors and honoured guests. Without you and the generous support of the companies and organizations your represent, many of our students would not be able to complete their education.

Your financial support helps them pay their bills and, more important, it tells them their community believes in them and in their dreams of a postsecondary education. Your donation tells them you have faith that they can achieve their goals and become well-rounded, responsible, and contributing citizens in our community.

We thank you for sharing our dream of a bright and prosperous future for all our students.

Hazel Potsma *is Association Vice President, External Relations at the Douglas College Foundation.*

Thanks to the generous support of the Notary Foundation and the BC Notaries, students in the Legal Studies Diploma course at Douglas College received bursaries and scholarships to help them achieve their educational goals. Douglas College Foundation assists close to 1800 students each year.

Sarah Lock *is the Coordinator of the Douglas College Foundation.*

I am very glad to have met your requirements to receive the Notary Foundation and BC Notaries Scholarship and Bursary. I came to Canada 11 years ago, finished high school, worked in the labour force, then decided to go back to college to get more education.

Your award has motivated me more for reaching my goals, which is Continuing Legal Studies in the short term and Law School in the long term. I hope my contribution will be beneficial for our community. I appreciate your consideration and I am honoured to receive this reward.

Sincerely,
Nima Ghavami

Douglas College recipients of the Notary Foundation and BC Notaries Bursary and Scholarship (from left): Nima Ghavami, Peymaneh Chychi, and Brandon Reddy (at right), with Wayne Braid, Executive Officer of the Notary Foundation

Notaries Installation 2008

On May 1, the Honourable Madam Justice Russell presided over the Installation Ceremony and led the new BC Notaries in the Pledge to The Society and their Oath of Office.

Our 18 Notaries received their Notarial Commissions at a luncheon at the Terminal City Club. Master of Ceremonies Wayne Braid, Executive Officer of the Notary Foundation, introduced the Notaries to the luncheon guests who included family and friends of the new Notaries; members of The Society's Board of Directors: President Ken Sherk, Second Vice President Susan Davis, Brent Atkinson, John Eastwood, Trish Fedewich, Akash Sablok, Laurie Salvador, and Acting Secretary George Tanco; Notary Preparatory Course Examiners appointed by the Attorney General of British Columbia: Nanaimo Notary Rick Evans; Bob Reid, Associate Professor Emeritus of UBC's Faculty of Law; and George Cadman of Boughton Law Corporation; Counsels for The Society Todd McKendrick and Quang Dong of Macaulay McColl; Don de Jersey of BDO Dunwoody; Carrie Gallant, Mediation Instructor; Peter Ramsay, UBC teacher and presenter; David Moore of UBC's Sauder School of Business; Mary-Jane Wilson, Law Instructor; Society staff members Rebecca Magallanes and Amber Rooke; Marny Morin, Staff Notary responsible for Education and Discipline; Joan Letendre, tutor to the Notary students; and Stan Nicol, Secretary of The Society from 1986 to 2000.

Dr. Bernard W. Hoeter, Secretary from 1969 to 1986, did not attend due to illness. His partner Erika Riedel presented the Dr. Bernard W. Hoeter award in his stead.

Dr. Bernard W. Hoeter Award

For achieving the highest overall marks in the 2008 Statutory Examinations

Presenter:
Erika Riedel, for Dr. Hoeter
Winners:
Linda Caisley, Kelowna
Gurpreet Minhas, Surrey

Wayne Braid, Gurpreet Minhas, Linda Caisley, and Erika Riedel

BDO Dunwoody Award

For achieving the most consistent performance in all aspects of the 2008 Notarial Education Program

Presenter:
Don de Jersey
Winner:
Daniel Boisvert, Delta

Daniel Boisvert and Don de Jersey

UBC Real Estate Division Sauder School of Business Award

For achieving the highest mark on the 2008 Conveyance Practice Examination

Presenter:
David Moore
Winner:
Linda Caisley, Kelowna

David Moore and Linda Caisley

Robert Reid Award

For achieving the highest mark on the 2008 Property Examination

Presenter:
Bob Reid
Winner:
Daniel Boisvert, Delta

Daniel Boisvert and Bob Reid

Stanley J. Nicol Award

For achieving the highest mark on the 2008 Notarial Procedures Examination

Presenter:
Stan Nicol
Winner:
Gurpreet Minhas, Surrey

Gurpreet Minhas and Stan Nicol

Photos: *www.wildmanphotography.com*

Todd McKendrick, Bob Reid, and John Eastwood

Peter Ramsay and Marny Morin

Mary-Jane Wilson, Contract Law Instructor

The Luncheon Organizers: Society Staffers Rebecca Magallanes and Amber Rooke

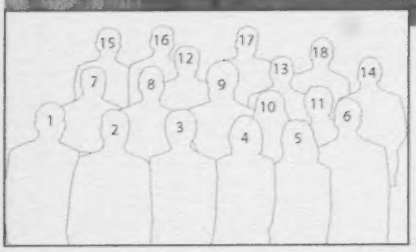
Linda Caisley's mom Kathleen Bain, Susan Davis, and Ken Sherk

Brent Atkinson

Carrie Gallant, Mediation Instructor

Erika Riedel and Laurie Salvador

Welcome to Our New BC Notaries



Photos: *www.wildmanphotography.com*

THE CLASS OF 2008

1. Justin Han 2. Hossein Kamoosi 3. Stephen Chong 4. Claudia Leca 5. Stella Vong
6. Gurpreet Minhas 7. Amin Savji 8. Marvin Hawke 9. Rajdeep Randhawa
10. Linda Caisley 11. Inna Yevpak 12. Daniel Boisvert 13. Jamil (James) Cordeiro
14. Ken Sherk, President of The Society 15. Predrag Radovic
16. Harry (Bart) Aldrich 17. Nevdeep Virk 18. Kam Brar

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2008

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Auditors' Report

To the Members of the
Notary Foundation of British Columbia

We have audited the Statement of Financial Position of the Notary Foundation of British Columbia as at June 30, 2008 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Notary Foundation of British Columbia as at June 30, 2008, the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Vancouver, British Columbia
August 11, 2008

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

Notary Foundation of British Columbia
Statement of Financial Position

June 30	General Fund	Education and Administrative Fund	Grants Fund	2008	2007
Current Assets					
Cash (Note 3)	$ 1,618,490	$ -	$ -	$ 1,618,490	$ 1,121,676
Accrued interest receivable	322,364	-	-	322,364	740,649
Prepaid expenses	-	-	-	-	21,777
Investments (Note 4)	942,871	-	-	942,871	406,601
	2,883,725	-	-	2,883,725	2,290,703
Investments (Note 4)	3,357,161	-	-	3,357,161	1,575,754
	$ 6,240,886	$ -	$ -	$ 6,240,886	$ 3,866,457
Current Liabilities					
Accounts payable and accrued liabilities (Note 5)	$ 3,158,550	$ 267,782	$ -	$ 3,426,332	$ 1,082,657
Due to the Society of Notaries Public of British Columbia (Note 7)	-	27,267	-	27,267	27,267
Interfund balances	3,082,336	(2,051,817)	(1,030,519)	-	-
	6,240,886	(1,756,768)	(1,030,519)	3,453,599	1,109,924
Net assets	-	1,756,768	1,030,519	2,787,287	2,756,533
	$ 6,240,886	$ -	$ -	$ 6,240,886	$ 3,866,457

Approved by The Board of Governors:

_____ Governor

_____ Governor

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Operations and Changes in Net Assets

For the year ended June 30	General Fund	Education and Administrative Fund	Grants Fund	2008	2007
Revenue (Note 6)					
Interest earned on members' trust accounts	$ 5,562,700	$ -	$ -	$ 5,562,700	$ 5,379,629
Investment income	156,730	-	23,388	180,118	146,433
Adjustment of financial instruments to fair value (Note 2)	(70,812)	-	-	(70,812)	-
	5,648,618	-	23,388	5,672,006	5,526,062
Expenses					
Education and Administrative Fund (Note 7)	-	2,009,987	-	2,009,987	735,561
Grants Fund	-	-	444,429	444,429	184,553
Legal Services Society of British Columbia	3,158,550	-	-	3,158,550	3,039,334
	3,158,550	2,009,987	444,429	5,612,966	3,959,448
Excess (deficiency) of revenue over (under) expenses	2,490,068	(2,009,987)	(421,041)	59,040	1,566,614
Net assets, beginning of the year	-	1,855,867	900,666	2,756,533	1,189,919
	2,490,068	(154,120)	479,625	2,815,573	2,756,533
Transfer (to) from Education and Administrative Fund	(1,910,888)	1,910,888	-	-	-
Transfer (to) from Grants Fund	(550,894)	-	550,894	-	-
Adjustment on adoption of new financial instruments accounting standard	(28,286)	-	-	(28,286)	-
Net assets, end of year	$ -	$ 1,756,768	$ 1,030,519	$ 2,787,287	$ 2,756,533

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

Notary Foundation of British Columbia
Statement of Cash Flows

For the year ended June 30	2008	2007
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	$ 59,040	$ 1,566,614
Items not involving cash		
Adjustment of financial instruments	99,098	-
Investment income	(180,118)	(146,433)
	(21,980)	1,420,181
Changes in non-cash working capital balances		
Accrued interest receivable	418,285	(350,684)
Prepaid expenses	21,777	(3,383)
Accounts payable and accrued liabilities	2,343,675	393,167
	2,761,757	1,459,281
Investing activities		
Proceeds and distributions from investments	1,219,741	2,912,369
Purchase of investments	(3,484,684)	(3,822,093)
	(2,264,943)	(909,724)
Increase in cash during the year	496,814	549,557
Cash, beginning of year	1,121,676	572,119
Cash, end of year	$ 1,618,490	$ 1,121,676

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

5

Financial Instruments

Effective July 1, 2007, the Notary Foundation of British Columbia ("the Foundation") classifies its financial instruments as follows:

Held for Trading

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 Financial Instruments – Recognition and Measurement. The Foundation has designated cash and investments on initial recognition as held for trading. These instruments are recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Net gains and losses arising from changes in fair value are recognized immediately in income.

Loans and Receivables

The Foundation has classified accounts receivable as loans and receivables. This asset is initially recognized at its fair value and transaction costs are immediately recognized in income. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment.

Other Financial Liabilities

The Foundation has classified accounts payable, accrued liabilities and due from related party as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between parties.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment.

Investments

It is the Foundation's mandate to protect capital and invest in well diversified assets to support expenditures made by the Foundation. These assets include Canadian securities such as government and corporate bonds, commercial paper, treasury bills, cash or cash equivalents, and Canadian and foreign equities.

Revenue Recognition

The interest earned on notaries' general trust accounts is calculated and remitted to the Foundation based upon agreements made with individual financial institutions. The trust accounts are not the property of nor are they administered by the Foundation. The interest earned on notaries' general trust accounts held in financial institutions is recognized by the Foundation on an accrual basis.

The Foundation assumes that all notaries who hold funds in trust for or on account of clients comply strictly with Section 54 of the Notaries Act. Compliance is confirmed by regular annual audit examinations of the notaries' trust accounts.

Investment income includes unrecognized and recognized gains/losses on sale of investments, interest and dividend income. Interest and dividend income is recognized when earned and is allocated on a predetermined basis amongst the funds. Recognized gains/losses on sale of investments are recorded as sale proceeds less the carrying value of the investment and is recognized on the date of settlement.

Unrecognized gains/losses incurred in the year represent changes in the fair market value of the investment and are recorded in net income at the end of each reporting period.

Grants

Grants are recorded in the Foundation's accounts in the year of authorization.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

New Accounting Pronouncements

Capital Disclosures and Financial Instruments - Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures (Section 1535), Handbook Section 3862, Financial Instruments - Disclosures (Section 3862), and Handbook Section 3863, Financial Instruments - Presentation (Section 3863). These new standards will be effective for the Foundation on July 1, 2008.

Section 1535 specifies the disclosures of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

New Accounting Pronouncements-Continued

Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Foundation is currently assessing the impact of these new standards.

1. Organization and Income Tax Status

The Notary Foundation of British Columbia (the "Foundation") was established in 1986 under Section 50 of the Notaries Act. The Foundation is a not-for-profit organization, which receives funding from interest earned on the pooled trust funds of the notaries.

The Foundation is to establish and maintain funds to be used for the purpose of:

- legal education, legal research and legal aid,
- salary, administration, education and continuing education for notaries and applicants for enrolment as notaries,
- establishing, operating and maintaining law libraries in the Province of British Columbia, and
- contributing to the Special Fund established under Section 20 of the Notaries Act but solely for the purpose of increasing the principal amount of this Fund to $500,000, as the limit has been reached, the excess amount is transferred to the Legal Services Society of British Columbia.

These financial statements have been prepared on the restricted fund method of accounting for not-for-profit organizations. The Foundation, as a result of its not-for-profit status, is not subject to income taxes.

2. Change In Accounting Policies

Effective July 1, 2007, the Foundation adopted the Canadian Institute of Chartered Accountants' ("CICA") new recommendation for the recognition and measurement of financial instruments and amendments to the existing presentation and disclosure standards. CICA 3855 Financial Instruments-Recognition and Measurement establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. CICA 3861 Financial Instruments Disclosure and Presentation discusses the presentation and disclosure of these items. Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

Amendments to CICA 4400 Not-For-Profit Organizations require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in net assets. The Foundation does not have any transactions which qualify for hedge accounting.

Transactions entered into prior to the adoption of these recommendations have not been retroactively designated. In accordance with the transitional provisions, the prior year comparative figures have not been restated.

2. Change In Accounting Policies - Continued

Pursuant to the requirements of these financial instruments standards, the Foundation now classifies and recognizes its financial assets and liabilities as described in Significant Accounting Policies under Financial Instruments. Upon adoption the Foundation re-measured its held for trading financial assets at their fair value, and its loans and receivables and other liabilities at their amortized cost. This resulted in an increase to unrestricted net assets and cash and cash equivaltents at July 1, 2007 of $28,286. The effect of the change for the year ended June 30, 2008 was to decrease revenues and excess of revenue over expenditures by $70,812.

3. Cash

The Foundation's cash is held in various Canadian chartered banks. The accounts earn interest at prevailing market rates.

4. Investments

Investments are comprised of:

	June 30, 2008 Cost	June 30, 2008 Fair Value
Long-term bonds and debentures	$ 3,410,480	$ 3,357,161
Equities	988,650	942,871
	$ 4,399,130	$ 4,300,032

	June 30, 2007 Cost	June 30, 2007 Fair Value
Long-term bonds and debentures	$ 1,575,754	$ 1,524,189
Equities	406,601	429,880
	$ 1,982,355	$ 1,954,069

The Foundation's investments are held through one Canadian investment management company. The bonds and debentures bear interest from 3.000% to 6.282% (2007 - 3.000% to 6.282%) per annum and mature between September 1, 2009 and December 31, 2036.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities pertain to the allocation of revenue from the General Fund less payments and are comprised of the following:

	2008	2007
Legal Services Society of British Columbia		
Balance, beginning of period	$ 965,478	$ 553,574
Earned revenue from General Fund	3,158,550	3,039,334
Payments to Legal Services Society of British Columbia	(965,478)	(2,627,430)
	3,158,550	965,478
Education, administrative and grant payables	267,782	117,179
Balance, end of the year	$ 3,426,332	$ 1,082,657

Included in the current education, administrative and grant payables is $242,782 (2007 - $107,179) due to the Society of Notaries Public of British Columbia.

6. Allocation of Revenue

Realized revenue earned by the Foundation is to be disbursed as follows:

a) 50% to be paid to the Legal Services Society of British Columbia.

b) 5% to be paid to the Special Fund which is administered by the Society of Notaries Public of British Columbia (Note 1). The minimum amount that can be paid to the Special Fund is $20,000 or 5% as determined by requirements within the Notaries Act. Any excess amounts are to be allocated to the Legal Services Society of British Columbia.

c) 10% to be used for legal education, legal research and the establishing, operating and maintaining of law libraries in the Province of British Columbia (Grants Fund).

d) 35% to be used for salary, administrative, education and continuing education of notaries and notarial applicants (the "Education and Administrative Fund"). The Foundation provides an annual grant to the Society of Notaries Public of British Columiba (the "Society") to fund Education and Continuing Education initiatives which are carried out by the Society on behalf of the Foundation in order for the Foundation to meets its obligation pursuant to its articles of incorporation under the Notaries Act. The Foundation may maintain a reserve fund composed of up to and including, but not more than, three years of Grant costs (the "Foundation Reserve Fund").

7. Related Party Transactions

The amount of $27,267 (2007- $27,267) due to the Society of Notaries Public of British Columbia (the "Society"), an organization with common directors and governors, is unsecured, non-interest bearing and has no specific terms of repayment. The Society has indicated that it will not request payment of the amount within the next fiscal year.

During the year, the Foundation had paid grants in the amount of $2,009,987 (2007 - $735,561) to the Society which was used by the Society to fund Education and Continuing Education initiatives as described in Note 6(d) and in accordance with the Governance Agreement and the Notaries Act of British Columbia. The transactions are in the normal course of operations and is measured at its carrying amount.

8. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

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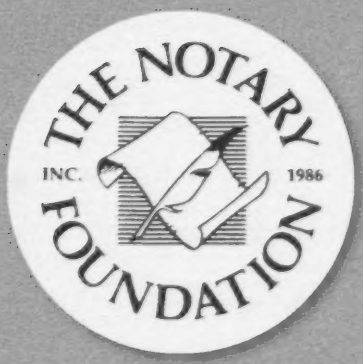

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